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ATTORNEYS FOR THE DEBTORS  
AND DEBTORS IN POSSESSION

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

<b>In re:</b>	§	<b>CASE NO. 14-32821-11</b>
	§	
<b>SEARS METHODIST RETIREMENT SYSTEM, INC., <i>et al.</i><sup>1</sup></b>	§	<b>CHAPTER 11</b>
	§	
<b>Debtors.</b>	§	<b>Jointly Administered</b>
	§	

**NOTICE OF AUCTION AND SALE**

**PLEASE TAKE NOTICE** that on **September 18, 2014**, Sears Plains Retirement Corporation (“Plains”), a debtor in the above captioned bankruptcy case, filed its Motion for Orders (i) approving bid procedures and providing certain protections to a stalking horse (the “Stalking Horse”); and (ii) authorizing the (a) sale of substantially all of Plains’ assets, free and clear of all liens, claims and encumbrances, and (b) the assumption and assignment of certain

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<sup>1</sup> The debtors in these chapter 11 cases, along with the last four (4) digits of their taxpayer identification numbers, are: Sears Methodist Retirement System, Inc. (6330), Canyons Senior Living, L.P. (8545), Odessa Methodist Housing, Inc. (9569), Sears Brazos Retirement Corporation (8053), Sears Caprock Retirement Corporation (9581), Sears Methodist Centers, Inc. (4917), Sears Methodist Foundation (2545), Sears Panhandle Retirement Corporation (3233), Sears Permian Retirement Corporation (7608), Sears Plains Retirement Corporation (8233), Sears Tyler Methodist Retirement Corporation (0571) and Senior Dimensions, Inc. (4016). The mailing address of each of the debtors, solely for purposes of notices and communications, is 2100 Ross Avenue, 21st Floor, c/o Paul Rundell, Dallas, Texas 75201.

executory contracts and leases (the “Sale Motion”) with the United States Bankruptcy Court for the Northern District of Texas (the “Bankruptcy Court”). Plains is currently soliciting bids from other parties interested in the assets of Plains. All parties that may be interested in submitting a bid for substantially all of Plains’ assets<sup>2</sup> or any portion thereof or taking part in the Auction must read carefully both the Bid Procedures and the order approving the Bid Procedures (the “Bid Procedures Order”).

**PLEASE TAKE FURTHER NOTICE** that on October 9, 2014, following a hearing held on **October 3, 2014**, the Bankruptcy Court entered the Bid Procedures Order and scheduled a hearing to consider the Sale Motion for **October 30, 2014 at 2:30 p.m.** (prevailing Central Time) (the “Sale Hearing”). You may obtain a copy of Plains’ proposed asset purchase agreement negotiated and agreed to with the Stalking Horse (the “APA”) by making a written request to the undersigned counsel.

Only those parties that submit Qualified Bids may participate in the Auction; if you are interested in determining how to submit such a Qualified Bid, you must comply with the terms of the Bid Procedures. Any party in interest wishing to receive a complete set of the APA, the Sale Motion, and the Bid Procedures Order may do so free of charge by contacting DLA Piper LLP (US), 1251 Avenue of the Americas, New York, NY 10020 Attn: Evelyn Rodriguez.

**PLEASE TAKE FURTHER NOTICE** that any party that wishes to take part in this process and submit a bid for the Assets, any portion thereof, or other of Plains’ assets, must submit their Qualified Bid prior to **October 27, 2014 at 4:00 p.m. (prevailing Central Time)**. (the “Bid Deadline”) to: by (1) counsel for Plains, DLA Piper LLP (US), 1251 Avenue of the

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<sup>2</sup> Unless otherwise defined herein, all capitalized terms shall have the same meaning ascribed to them in the Bid Procedures.

Americas, New York, NY 10020, Attn: Thomas R. Califano (thomas.califano@dlapiper.com) and DLA Piper LLP (US), 1717 Main Street, Suite 4600, Dallas, TX 75201, Attn: Vincent Slusher (vince.slusher@dlapiper.com); (2) RBC Capital Markets, LLC; Attn: David B. Fields, One Logan Square, 130 North 18th Street, Philadelphia, PA 19103-6933 (david.fields@rbccm.com); (3) Alvarez & Marsal Healthcare Industry Group, LLC, 55 West Monroe, Chicago, IL 60603, Attn: Paul Rundell (prundell@alvarezandmarsal.com); (4) Counsel for Prosperity Bank, R. Michael McCauley, Jr., McWhorter, Cobb and Johnson, LLP, 1722 Broadway, Lubbock, Texas 79401 (mccauley@mcjllp.com); (5) Counsel for the Committee Greenberg Traurig LLP, 2200 Ross Avenue, Suite 5200, Dallas, TX 75201, Attn: Clifton R. Jessup (jessupC@gtlaw.com) and Greenberg Traurig LLP, 77 West Wacker Drive, Suite 3100, Chicago, IL 60601, Attn: Nancy A. Peterman (petermann@gtlaw.com); (6) John Huffaker, Texas Tech University, P.O. Box 42021 Lubbock, TX 79409 (john.huffaker@ttu.edu); and (7) Office of the Attorney General for the State of Texas, (collectively, the "Notice Parties"). Plains shall determine whether a bidder is a Qualified Bidder, after consultation with the Committee.

PLEASE TAKE FURTHER NOTICE that if more than one Qualified Bid for any of Plains' assets is received by the Bid Deadline, an auction (the "Auction") with respect to a contemplated transaction shall take place on **October 29, 2014, at 10:00 a.m.** (prevailing Central Time) at the offices of DLA Piper LLP (US), 1717 Main Street, Suite 4600, Dallas, TX 75201. If, however, if no Qualified Bid is received by Plains (other than the Stalking Horse Bid) for any asset of Plains is received by the Bid Deadline, then the Auction will not be held as to such asset, the Stalking Horse will be deemed the Successful Bidder and the APA will be the Successful Bid, and, at the Sale Hearing, Plains will seek approval of and authority to consummate the transaction contemplated by such APA.

Only a Qualified Bidder who has submitted a Qualified Bid will be eligible to participate at the Auction. Only Qualified Bidders, members of the Official Creditors Committee, Plains' secured lenders, and their respective legal or financial professionals are eligible to attend the Auction. At the Auction, Qualified Bidders will be permitted to increase their bids. The bidding at the Auction shall start at the purchase price stated in the Stalking Horse Bid as disclosed to all Qualified Bidders prior to commencement of the Auction, and continue in increments of at least \$100,000 in cash or cash equivalents. The Successful Bid shall be determined by Plains in its discretion, in consultation with the Creditors Committee and the secured lenders, or as determined by the Bankruptcy Court in the event of a dispute.

At the Sale Hearing, Plains will present the Successful Bid(s) to the Bankruptcy Court for approval. Plains will sell its assets or any portion thereof to the Successful Bidders. If a Successful Bidder fails to consummate an approved Sale because of a breach or a failure to perform on the part of such Successful Bidder, the next highest or otherwise best Qualified Bid, as approved at the Sale Hearing, shall be deemed to be the Successful Bid and Plains shall be authorized to effect such Sale without further order of the Bankruptcy Court.

**PLEASE TAKE FURTHER NOTICE** that any responses or objections to the Motion must be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court, and shall be filed with the Bankruptcy Court electronically by registered users of the Bankruptcy Court's case filing system (the User's Manual for the Electronic Case Filing System can be found at [www.txnb.uscourts.gov](http://www.txnb.uscourts.gov), the official website for the Bankruptcy Court) and, by all other parties in interest, on a 3.5 inch disk, in text-searchable Portable Document Format (PDF), Wordperfect or any other Windows-based word processing format (in either case, with a hard-copy delivered directly to Chambers), and shall be served

upon: (a) the Office of the United States Trustee for the Northern District of Texas, 1100 Commerce Street, Room 976, Dallas, Texas 75242; (b) the Notice Parties; and (c) all those persons and entities that have formally requested notice by filing a written request for notice, pursuant to Bankruptcy Rule 2002 and the Local Bankruptcy Rules, so as to be actually received no later than **October 29, 2014 at 4:00 p.m.** (prevailing Central Time). Only those responses that are timely filed, served and received will be considered at the Hearing. Failure to file a timely objection may result in entry of orders granting the Motion as requested by Plains.

Dated: October 9, 2014.

**DLA PIPER LLP (US)**

By: /s/ Vincent P. Slusher

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